Amendments to Senate Bill No. 102
1st Reading Copy

Requested by Senator Gene Vuckovich

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Bartley Campbell
January 15, 2011 (12:11pm)

1. Title, page 1, line 5 through line 7.
Strike: "PROVIDING" on page 1, line 5 through "SUBCONTRACTORS" on
    page 1, line 7
Insert: "INCREASING THE INTEREST RATE ON LATE PAYMENTS BY A
    CONTRACTOR TO A SUBCONTRACTOR FROM 1 1/2% TO 15%; AND
    AMENDING SECTION 28-2-2104, MCA"

2. Page 1, line 11 through page 1, line 29.
Strike: everything after the enacting clause
Insert: "Section 1.   Section 28-2-2104, MCA, is amended to read:
    "**28-2-2104. Obligations upon delay of payment.** (1) If a
periodic or final payment that is required by a construction
contract to be paid by an owner to a contractor is delayed by
more than 30 days from the date the payment is required by the
contract to be made, the owner shall pay to the contractor
interest, beginning on the day following the date when the
payment is due, at the rate of 1 1/2% a month or a pro rata
fraction of that amount on the unpaid balance. If the contractor
receives interest from the owner for a delayed payment by the
owner, the contractor shall ensure that any interest accrued on a
delayed payment is distributed by the contractor to
subcontractors on a pro rata basis.
    (2)   If a periodic or final payment required by a
subcontract to be paid by a contractor to a subcontractor is
delayed for more than 30 days from the date the payment is
required by the subcontract to be made, the contractor shall pay
to the subcontractor interest beginning on the day following the
date when the payment is due, at the rate of ~~1 1/2%~~ 15% a month
or a pro rata fraction of that amount on the unpaid balance. If a
subcontractor receives interest from the contractor for a delayed
payment by the contractor, the subcontractor shall ensure that
any interest accrued on the delayed payment is distributed by the
subcontractor to other subcontractors, if any, on a pro rata
basis.
    (3)   Acceptance of the final payment releases any claim for
interest on the payment."
{Internal References to 28-2-2104: None.}"

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